



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

February 12, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:
LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
APPROVAL OF CONSTRUCTION CHANGE ORDER RELATED TO WORK
PERFORMED BY MCCARTHY/CLARK/HUNT'S SUBCONTRACTOR
MARTIN INTEGRATED
MCCARTHY/CLARK/HUNT, A JOINT VENTURE; CONTRACT PW-12641
SPECS. 6550; C.P. 70787
(FIRST DISTRICT) (4 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and authorize the Director of Public Works to execute a change order with McCarthy/Clark/Hunt, a Joint Venture, to resolve disputed and undisputed issues relating to work performed by McCarthy/Clark/Hunt's subcontractor, Martin Integrated, in the aggregate amount of \$328,043.

REASON AND SCOPE – RECOMMENDATION

Unforeseen condition	<input type="checkbox"/>	Regulatory agency requirement	<input checked="" type="checkbox"/>
Drawing coordination	<input checked="" type="checkbox"/>	Previously approved scope change	<input type="checkbox"/>
Contract supplement	<input type="checkbox"/>	Errors and omissions	<input checked="" type="checkbox"/>

Board of Supervisors
GLORIA MOLINA
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The recommended \$328,043 change order is to resolve a claim by Martin Integrated, a subcontractor to McCarthy/Clark/Hunt, for work in the Diagnostic and Treatment building related to extended general conditions costs and wage rate increases associated with numerous framing changes that impacted planned work progress and production rates. Two additional change orders in the amounts of \$47,618 and \$150,000 have been issued under delegated authority related to these same issues in the Inpatient Tower and Outpatient Department buildings respectively.

BACKGROUND

In a hospital, there are many systems that require extensive above-ceiling infrastructure where each system is seismically braced and supported from the structural deck above. These systems include electrical conduit; medical gas piping, plumbing; cable trays; heating, ventilation, and air conditioning ductwork and their related seismic supports. As work progressed in the Outpatient Department, Diagnostic and Treatment, and Inpatient Tower buildings, numerous locations were identified where additional work would be required in order to install the ceilings due to utility congestion. This work was further complicated by multiple Office of Statewide Health Planning and Development (OSHPD) revisions that resulted from more restrictive code interpretations as the work proceeded. Additional field surveys and multiple layouts, numerous remobilizations per area per building floor, coordination meetings, rework of initial installations, and the coordination of six OSHPD change orders related to the ceiling congestion were required in the Diagnostic and Treatment building. The complexity of this installation was realized in the Outpatient Department and Diagnostic and Treatment buildings and lessons learned were utilized to reduce the impacts in the Inpatient Tower building as demonstrated in the cost impacts stated herein.

The physical construction of erecting an interstitial framing system was addressed in a change order approved by your Board in April 2007. The proposed change order addresses the impacts upon the construction of the suspended acoustical grid ceiling as installed by Martin Integrated, a first tier subcontractor, to McCarthy/Clark/Hunt.

We have evaluated the merit of the above pass-through claim and we have conducted extensive negotiations with McCarthy/Clark/Hunt and Martin Integrated and reached an agreement that this claim has merit in the \$328,043 aggregate amount, including the general contractor's mark-ups. The initial cost impact for this claim was originally submitted for \$1,488,887, and after intensive negotiations this impact claim was successfully negotiated down to an aggregate amount of \$525,661, inclusive of the \$328,043 amount requested herein and to the two above-referenced change orders (\$47,618 and \$150,000, respectively) previously approved under delegated authority. As part of this resolution, McCarthy/Clark/Hunt agrees to provide an unconditional

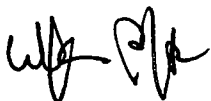
release of their claim for any direct, indirect, and impact costs associated with any claim or change issues relating to Martin Integrated work through the end of the project.

We have reviewed this recommendation as well as the potential cost and schedule impacts with the Project Advisory Committee. This change order is considered to be within the scope of the project and within the Board-approved project budget of \$899,713,218. Sufficient appropriation is available in the 2007-08 Capital Projects/Refurbishments Final Budget–LAC+USC Medical Center Replacement Project (C.P. 70787) to fund the recommended action.

CONCLUSION

Upon approval of the recommendation, please return an adopted, stamped copy of the Board letter to my office.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTJ:DLW:DL
JSE:DJT:DKM:z

c: County Counsel
Department of Health Services
Department of Public Works (Project Management Division I)
Project Advisory Committee